(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) Yes, Sir. As per the available information, the total effective subsidy to agricultural and domestic sectors is over Rs. 19,200 crores during 1996-97. Of this, the State Government proposed to compensate only Rs. 2634 crores through budgetary subventions. This is only 12.7% of the effective subsidy that the SEBs had to bear at the given levels of tariffs for agricultural and domestic sectors. SEBs. recovered around Rs. 8035 crores through cross-subsidisation. Thus, the total net loss to the SEBs on account of low agricultural and domestic tariffs has been of the order of Rs. 8,500 crores. This is around 20% of the total revenue of electricity for power sale. The extent of the increase in the financial burden on SEBs during the period from 1992-93 to 1996-97 can be seen from the fact that in 1992-93 the losses on account of tariffs, after taking into account the accruals on account of budgetary subventions and pross-subsidisation were only Rs. 2277 crores (i.e. around 10% of the total revenue from the power sale).

(b) The main reasons of the losses of the SEBs, inter alia, include, the widening gap between the average cost of supply and realisation, especially with regard to the agricultural and domestic sectors, delay as well as inadequate revision of tariff, non-payment of rural electrification subsidy in cash by most of the State Governments; non-realisation of the dues by SEBs for sale of power; low levels of capacity utilisation of existing plants and high transmission & distribution losses.

(c) and (d) The President of India has promulgated an Ordinance on 25th April, 1998, to establish a Central Electricity Regulatory Commission and State Electricity Regulatory Commissions. The establishment of the Regulatory Commissions would help in rationalising tariff and also provide for cross-subsidies, wherever required. The setting up of Regulatory Commissions does not preclude the State Governments from extending subsidies to agriculture which is an important and crucial sector of the economy. The State Governments can exercise the option of providing subsidies over and above those recommended by Regulatory Commissions. Such subsidies could cover free power to agriculture, and/or to weaker sections on condition that the State Governments compensate the SEBs by providing adequate budgetary support. When tariffs are rationalised and budgetary support is provided, the SEBs will improve their financial health and their capacity to invest. This would also ensure that there is no need for Government guarantees, counter-guarantees and operating of escrow accounts. This in turn will help in flow of greater resources, both public and private, into the power sector and thereby improving the financial health of the State Electricity Boards as well as the power supply position.

Kutir Jyoti Programme

*115. SHRI DIPANKAR MUKHERJEE: Will the Minister of POWER be pleased to state:

(a) whether the "Kutir Jyoti" programme for extending single point light connection to the households was launched by Government;

(b) if so, how many connections have been released so far;

(c) the number of connections to be released further;

(d) the commercial viability of the schemes launched under the programme; and

(e) whether the scheme would continue after the promulgation of the recent Ordinance for setting up CERC/SERC?

THE MINISTER OF POWR (Shri R. KUMARAMANGALAM): (a) to (d) The Kutir Jyoti Programme, was launched in 1988-89 for providing single point light connections to households living below the poverty line in the rural areas. More than 28 lakh connections have been released under the programme till 31.3.1998. Financial assistance under the programme is provided by the Government of India to the concerned SEBs at the rate of Rs. 800 for each unmetered connection and Rs. 1000 for each metered connection by way of 100% grant. The programme aims at improving the quality of life of the rural poor and is not a commercial one.

(e) Yes, Sir. All Schemes involving subsidy/ grant from Government would continue after the promulgation of the Ordinance.